

NEWS

United States Department of Justice
U.S. Attorney, District of New Jersey
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Christopher J. Christie, U.S. Attorney

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FOR IMMEDIATE RELEASE
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Fort Lee Man Now Jailed in India Indicted in
\$19 Million Equipment Lease-Financing Scam

(More)

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NEWARK – Two New Jersey men have been indicted for orchestrating a \$19 million computer equipment leasing and financing scheme that victimized major lenders, U.S. Attorney Christopher J. Christie announced.

Both defendants, along with an Ohio man, were also charged variously in 10 separate counts of money laundering. The government is seeking to recover more than \$19 million in cash and is seeking forfeiture of a \$1.9 million home.

Dinesh Dalmia, 45, of Fort Lee, and Ashish Paul, 45, of Norwood, are both named in numerous charges of the 16-count Indictment, which details their conspiracy to defraud lenders G.E. Capital Finance of Danbury, Conn.; CitiCapital Technology Finance of Mahwah, New Jersey; and Fifth Third Leasing Company of Cincinnati, Ohio. William Dowling, 42, of Columbus, Ohio, is also charged with conspiring with Dalmia and Paul to launder the financial proceeds of their fraud scheme.

The Indictment was unsealed today upon the arrest of Paul at his Bergen County home by Special Agents of the FBI. Dalmia, who was already the subject of a criminal Complaint filed in federal court in March, is currently a fugitive incarcerated in India on stock fraud charges. Dowling turned himself in to the FBI in Ohio today and will eventually be arraigned in U.S. District Court in New Jersey.

Paul was scheduled to appear at 3 p.m. today before U.S. Magistrate Judge Mark Falk in Newark.

As detailed in the conspiracy and wire-fraud charges, Dalmia controlled three New Jersey companies – Allserve, B2B Solutions, and Vanguard Info Systems (the “Dalmia Controlled Companies”). Using the alias “Nick Mittal,” Dalmia allegedly approached the victim lenders from 2003 through 2005 seeking to secure multi-million dollar financing through lease-financing contracts for computer equipment and telephone lists for call centers purported to be engaged in debt collection and telemarketing.

Dalmia allegedly told lenders that the Dalmia Controlled Companies needed financing for those business activities. As proof of his need for financing, Dalmia presented the lenders fraudulent purchase agreements, invoices and delivery receipts that he and Paul had created, according to the Indictment.

Although the lenders inspected the purported high-end equipment before funding the multi-million dollar leases, Dalmia allegedly deceived them by showcasing virtually worthless, outdated equipment he had obtained from used computer dealers.

After the lenders paid more than \$19 million for the high-end equipment to an Ohio company controlled by Paul, the Paul company then subcontracted its obligation to provide equipment to yet another company controlled by Dalmia, according to the Indictment. Thereafter, Dalmia and Paul submitted fraudulent invoices to the Paul-controlled company, which then routed the money back to Dalmia.

The money laundering charges stem principally from the movement of funds through shell companies by Dalmia, Paul and Dowling. Paul allegedly used the laundered funds to pay personal credit card expenses, country club bills, private tuition payments, and the purchase of a \$1.9 million home in Norwood.

The Indictment provides notice that the government is seeking forfeiture of Paul's residence, as well as more than \$15 million from Dalmia, Paul, and Dowling, each of whom would be jointly and severally liable for the judgment amount.

The charges in the Indictment are summarized as follows:

| <u>Count</u> | <u>Charge</u> | <u>Defendants</u> | <u>Max. Prison Sentence</u> | <u>Max. Fine</u> |
|------------------------------|---------------------------------------|---|------------------------------------|-------------------------|
| Count One | Conspiracy to Commit Wire Fraud | Dinesh Dalmia Ashish Paul | 5 years | \$250,000 |
| Count Two | Wire Fraud | Dinesh Dalmia Ashish Paul | 30 years | \$250,000 |
| Count Three | Wire Fraud | Dinesh Dalmia Ashish Paul | 30 years | \$250,000 |
| Count Four | Wire Fraud | Dinesh Dalmia Ashish Paul | 30 years | \$250,000 |
| Count Five | Wire Fraud | Dinesh Dalmia Ashish Paul | 30 years | \$250,000 |
| Count Six | Conspiracy to Commit Money Laundering | Dinesh Dalmia Ashish Paul William Dowling | 10 years | \$250,000 |
| Count Seven through Eleven | Money Laundering | Ashish Paul William Dowling | 10 years | \$250,000 |
| Count Twelve through Fifteen | Money Laundering | Ashish Paul | 10 years | \$250,000 |
| Count Sixteen | Money Laundering | Dinesh Dalmia Ashish Paul | 10 years | \$250,000 |

In determining an actual sentence, the judge to whom the case is assigned would, upon a conviction, consult the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence. Parole

has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Despite indictment, each of the defendants is presumed innocent unless proven guilty beyond a reasonable doubt.

Christie credited Special Agents of the FBI, under the direction of Special Agent in Charge Leslie G. Weiser, Jr., in Newark, with investigating the case.

The government is represented by Assistant U.S. Attorneys Marc P. Ferzan and Kevin G. Walsh of the U.S. Attorney's Office Commercial Crimes Unit in Newark.

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